

WASHINGTON STATE DEPARTMENT OF REVENUE



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Contractor charged with felony theft of sales tax

SEATTLE, Wash., Nov. 20, 2003— A Seattle contractor stole more than \$65,000 in state sales tax by failing to report most of the business he did for the Providence Point Homeowners Association, according to charges filed today.

The Financial Crimes Unit of Washington State Attorney General's Office today charged James M. Donohue, 35, with one count of first degree theft for allegedly reporting less than a quarter of the remodeling and maintenance work he did for the well known retirement community.

The investigation and charges were made at the request of the Washington State Department of Revenue, which uncovered the alleged fraud during an audit of Donohue's company, J.J.D. Construction, Inc.

Charging papers filed in King County Superior Court allege that Donohue received more than \$992,000 in gross income from Providence Point from January 1999 through September 2002, and collected over \$84,000 in sales tax on that work. However, Donohue only reported \$224,050 in gross income to the Department of Revenue and remitted only \$19,236 in sales tax.

Donohue's failure to remit the entire amount of retail sales tax, which he knew to be trust funds, constituted a theft from the State of Washington, according to the charging papers. The charge carries a maximum penalty of 10 years in prison and a \$20,000 fine.

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